

State's environment, economy can improve together

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As the world's seventh-largest economy and ninth-highest producer of greenhouse gas emissions, California must achieve a thoughtful balance between business and environmental interests.

Gov. Arnold Schwarzenegger understands California stands at this crossroads, and at Tuesday's Climate Action Summit in San Francisco, he articulated a vision that will -- if properly implemented -- improve the environment while encouraging investment and jobs.

The summit focused on the Climate Action Report created by the state's Environmental Protection Agency. This report, which contains 46 policy recommendations to achieve the governor's goal of cutting greenhouse gas emissions 30 percent by 2020, is one of the most ambitious plans of any state or nation in the world.

At the summit, the governor offered support for recommendations, including economic incentives, an emissions trading program and a mandatory reporting system involving the largest sources of climate change emissions, such as oil and gas extraction facilities, oil refineries and power plants.

He did not specify, however, how those recommendations should be implemented. These are complex issues, and the wrong means to the end could hurt businesses. With his endorsement, the governor opens a dialogue to establish how, specifically, these policies will be realized.

This administration knows we must proceed with vision and caution. To this end, Schwarzenegger supports continual economic impact assessment of all the report's recommendations. The governor also resoundingly

opposed the report's recommended gas tax, knowing full well the high cost of current gas prices on families and businesses.

Today, Schwarzenegger is in San Jose, meeting with Silicon Valley CEOs to discuss the report and the role businesses can play in preserving the environment and growing California's economy.

Major corporations are already leading the way. Wal-Mart, DuPont and at least six major electricity producers and distributors, including PG&E and Sempra Energy in California, recently endorsed mandatory greenhouse gas emission reductions. They know that environmental vitality and economic growth are complementary goals, not contradictory. And while there may be short-term costs in reducing our greenhouse gas emissions, the long-term economic benefits are extremely promising.

Pushing emissions reform puts California in a position to lead the world's growing "cleantech" industry -- the business of developing and manufacturing economically successful and environmentally friendly services and products (from renewable energy generation to hydrogen cars to "green" consumer products).

A 2004 report published by the National Resources Defense Council determined that California is ready to dominate the global cleantech market, noting that in 2003, our state received more venture capital investment than any other state -- \$339 million.

The same report found that future cleantech venture capital investment in California could fuel the creation of 52,000 to 114,000 high-quality, high-paying jobs and \$11 billion to \$25 billion in annual revenue by 2010.

These numbers are no fluke. California has long led the nation and the world in forward-thinking environmental policies and raw economic power, so let's not shy away from innovation now. Whether the Internet or biotech, California has seen the rewards of bringing new technologies and markets to the world.

Gov. Schwarzenegger's position gives Californians the opportunity to help our environment without sacrificing our economy.

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